

U.S. Department of Agriculture
AMS Fruit and Vegetable Programs
USDA Stop 0244
1400 Independence Avenue, SW
Washington, DC 20250-0244

RE: Amendments to the Potato Research and Promotion Plan
[Doc. No. FV-05-702 IFR]
Federal Register, Vol. 72, No. 44
Tuesday, March 7, 2006
Rules and Regulations, Page 11294

I offer the following comments as a potato grower in support of the amendment to the Potato Promotion and Research Plan which increases the assessment rate to the National Potato Promotion Board (Board) from 2 cents to 2.5 cents per hundredweight on potatoes.

This increase in the assessment rate was necessary to sustain the Board's Long Range Plan and its three major program areas; International Marketing, Domestic Marketing (which includes retail marketing) and a Nutrition Campaign at their present level beyond June 2006. The funding for these programs had been supplemented to a substantial degree since 2000 from the Board's cash reserves to extend the reach and effectiveness of the programs and respond to crisis; the reserves have been depleted by these investments. Therefore it was necessary to either increase the Board's revenue or to reduce or eliminate programs.

After examining all alternatives the Board rejected reducing or eliminating programs and chose to increase the assessment rate due to outstanding grower support for the Board's strategies and programs and the return on investment growers receive from their assessments. This grower support is documented by the Board's 2005 Grower Survey; the top line findings of the survey are:

2005 Grower Study Top Line Report

A final sample of 401 potato growers geographically weighted by production participated in a telephone interview conducted in January and February 2005 by Noedel Marketing Research, revealing these highlights:

- 82% of growers support the Board's programs funded by the per-hundred weight assessment
- 73% stated the Board is doing an Excellent or Good job
- 97% of growers stated that the four major Long Range Plan Goals of the Board were important:
 - Expand markets for US potatoes and potato products

- Increase usage of US potatoes and potato products
 - Improve the competitive position of potatoes
 - Present a favorable image of potatoes to the public
- 83% were familiar with the Board's current projects and programs
- 92 – 97% expressed strong support for the importance of our three major programs:
 - Retail Program – 95%
 - International Program – 92%
 - Nutrition Campaign – 97%
- When asked specifically about future funding levels for these three major programs, 81 – 94% of growers stated that they supported funding the programs at or above the current levels for each program area as follows:
 - Retail – 86%
 - International – 81%
 - Nutrition Campaign – 94%

The Board's authority to establish an assessment rate up to one-half of one per centum (0.5%) of the previous 10-year average price received by growers was established by industry referendum in 1984 (section 1207.342(a) of the Plan); the increase in the rate to 2.5 cents fits within that formula range.

The increase in the rate was approved by the Board at its March 19, 2005 Annual Meeting where 88 percent of the members of the Board voted in favor of the increase. The Board members supporting the increase believe strongly that the work of the Board is delivering measurable results toward increasing the demand for potatoes and that the cost of the increase is minimal to individual growers; the ½ cent increase represents less than one-half of one percent (0.005%) of total production costs for potatoes, or approximately \$1.75 per acre based on average yields.

Respectfully,
 Cheryl Ann Koompin
 Koompin Farms
 American Falls, Idaho